

The complaint

Mrs F complains about various aspects of esure Insurance Limited's ("esure") handling of a claim she made on her car insurance policy, in addition to it pressuring her into accepting a renewal.

What happened

In February 2023 Mrs F was involved in a road traffic accident. The circumstances of this accident were that while proceeding on a road, Mrs F sneezed, causing her to hit a parked van, which then rolled into another parked car.

esure accepted liability for the incident. And it dealt with the claim for the damage to Mrs F's car as a total loss.

Mrs F has complained about various issues, including:

1. Her car was deemed a total loss by an untrained person using photos and the total loss estimate included defects unrelated to the accident.
2. Her car went missing for a week while in esure's care.
3. esure accepted liability for all the third-party damage, even though Mrs F says some of this damage was caused due to negligence by the police.
4. She wasn't provided a replacement car while esure were dealing with her claim.
5. Despite requesting a breakdown of the total cost of the claim several times, esure never provided this.
6. esure unfairly pressured her into accepting its renewal offer.

Mrs F also says esure treated her unfairly by ignoring her complaint.

In its final response, esure said it didn't think it had acted unfairly by accepting liability since the policy terms allowed it to do this, it thought the cost of the third-party damage was reasonable and didn't think there was evidence to show negligence by the police, the policy terms didn't entitle Mrs F to a courtesy car, and it had acted in line with industry standards in how it determined her car was a total loss.

Our investigator thought esure had acted unfairly in part. In summary, she said:

- The way esure assessed the damage to Mrs F's car wasn't unusual or unfair and it had used an engineer to complete the assessment.
- Mrs F wasn't entitled to a replacement car under the terms of her policy.

- The policy terms allowed esure to accept liability for the third-party damage. So, esure hadn't acted unfairly in doing so.
- esure couldn't confirm the location of Mrs F's car for several days, and this caused her distress. So, esure should pay Mrs F £100 compensation for this.
- esure hadn't used unfair high-pressure tactics on Mrs F when she was renewing her policy.
- esure accepted Mrs F had requested in writing a breakdown of the claim costs, but didn't provide this to her. So, it should pay £50 compensation for the distress and inconvenience caused.
- esure had provided a reasonable explanation for the total cost of the claim.

Mrs F didn't accept the investigator's opinion, so the complaint was referred to me to decide. I issued a provisional decision upholding the complaint in part, and I said:

"Total loss process and decision

I won't be making any finding in this decision on the total loss valuation itself since this Service has already dealt with that as a separate case. I've instead considered if esure acted fairly in how it reached the decision the car was a total loss.

esure's engineer determined the car was uneconomic to repair because they thought the car needed structural repairs and the cost of this would be more than the car's value. Hence esure settled the claim with a total loss cash payment. The policy terms gave esure the discretion to do this. But esure should exercise that discretion fairly. So, I've considered if it did.

I acknowledge Mrs F's comments that esure determined the car to be a total loss by looking at photos and using AI. I don't dispute this. But I don't think that alone is unfair. It isn't uncommon for insurers to assess damage based on photos, and it isn't always necessary for an engineer to carry out a physical inspection providing they can reasonably assess the damage using photographic material. Mrs F said an untrained person decided the car was a total loss. But I've seen no further evidence to support this. And the engineer's inspection report esure provided states it was completed by an appropriately qualified person.

esure estimated the total repair cost to be £5,742.80, which was significantly more than the £3,884 valuation for the car. But Mrs F says the repair cost estimate included defects which weren't caused by the accident. I note the engineer's report refers to some light pre-existing damage in the form of a scratch on the left hand door, and scratches on two alloy wheels. But the cost attributed to these was low at £18.76 and £144. So, I think it's unlikely these pre-existing defects made a difference towards the car being a total loss.

The engineer's report and photos, show what appears to be serious damage to the car with the bumper assembly, grille, bonnet, headlamp, cooling systems and wheel arch noted as damaged. So, I think it's reasonable to expect the repair estimate would be high to reflect the extent of the damage.

Other than what I've already referred to, I haven't seen anything more from Mrs F showing the car was economic to repair. And I think esure has shown an appropriately qualified person reasonably determined the car was a total loss. So, I don't think esure acted unfairly in exercising its discretion to deal with the claim as a total loss.

Third party liability, settlement, and costs

The policy terms also gave esure the discretion to settle or defend any claim. Again, esure need to exercise that discretion fairly. So, I've considered if it did.

I don't think Mrs F is disputing liability in full for this incident. But she says that the damage to the parked van she hit with was minor, and so too was the damage to the other parked car the van rolled into. Mrs F says the parked car was moved forward after the collision to allow the van to be driven. But the towbar on the car was caught underneath the front of the van, and when driven forward, this pulled the front of the van away. And she says this was the fault of the police who attended the scene.

I've looked at the photos Mrs F has provided taken at the scene of the incident. And, I can see how these relate to her above description of events.

But, Mrs F didn't dispute she collided with the parked van, or that this caused it to roll into the other parked vehicle. So, I think esure were always going to have to pay something because of this. And as such, it was unavoidable Mrs F would have a fault claim recorded on her policy.

And it isn't for me to determine who was liable for the accident or to what extent as that's something only a court can decide. I can only consider whether esure acted unfairly in accepting liability. esure said it had no evidence to show the police were negligent in asking the vehicles to move and it thought the third-party costs seemed reasonable and in line with industry standards for what was repaired. I don't find these reasons to be an unfair basis for esure to have accepted liability.

Although esure said it thought the cost of the third party's claim was reasonable, Mrs F says she was told the claim cost in the region of £16,000, and this high cost has caused her difficulty in getting insurance elsewhere. Mrs F says she hasn't been provided a satisfactory explanation why the claim cost this much.

esure has provided screenshots showing the breakdown of the total it paid for this claim. The investigator said esure paid £3,000 for Mrs F's vehicle and £9,000 for the third-party damage. I acknowledge Mrs F's comment this doesn't add up to £16,000. But, having looked at the breakdown, these two costs were only most of the claim costs, they weren't all the claim costs. The full breakdown shows some additional costs were incurred such hire car costs which brought the total to £16,505.94.

I'm satisfied esure has provided a clear breakdown accounting for the total cost of the claim. And I don't think it's been shown esure unreasonably paid any costs it wasn't obligated to pay.

But, esure didn't provide Mrs F with the claim cost breakdown when she asked for it and I think that's caused her some distress. esure accepted the investigator's recommendation to pay £50 compensation for this, which I think is reasonable for the impact caused. But, if it hasn't already done so, I think esure should also provide Mrs F with a copy of the claim cost breakdown.

A replacement car wasn't provided

The terms of Mrs F's policy say a courtesy car would only be provided if the insured car is being repaired by one of esure's recommended repairers. Since no repairs were carried out to Mrs F's car, she wasn't entitled to a courtesy car under the policy terms.

The policy terms show car hire cover is an optional extra which can be taken out. This would provide a replacement car in a broader range of circumstances than the basic courtesy car benefit the policy otherwise includes. But Mrs F's policy schedule which was in place at the time of the claim shows she hadn't taken out the hire car option. So, esure weren't required to provide her with a hire car either.

Because Mrs F wasn't entitled under the policy terms to a courtesy car due to her car being a total loss, and she didn't have the optional car hire cover, I don't think esure acted unfairly by not providing any replacement car to Mrs F.

Mrs F's car going missing

esure didn't dispute the location of Mrs F's car wasn't known for several days. I think that was unreasonable and caused Mrs F some distress. The investigator said esure should pay Mrs F £100 compensation for this, which esure agreed to.

I think this is a fair amount of compensation for the impact caused. So, I intend to require esure to pay Mrs F £100 for the distress caused.

The renewal

Mrs F said when speaking to esure about her renewal her quote kept increasing and she lost access to the original quote, which unfairly put pressure on her to renew.

I can see Mrs F was issued with renewal documents dated 5 July 2023 with a premium of £775.80 for the renewal that was set to happen on 2 August 2023. esure has provided call recordings from 26 July 2023 and 27 July 2023 when Mrs F called to discuss the renewal quote. I note the following from these calls:

- Mrs F was first told her renewal would be £775.80. Later in the call, the advisor informed Mrs F the premium was being rerated. But they didn't state an amount and said the premium was still showing as £775.80.*
- In a later call, Mrs F asked about making some changes to her car's value and her occupation. She was told this was causing the premium to increase, but again no amount was stated. Mrs F was told later in this call a discounted premium of £758.39 could be offered.*
- In a call after this, Mrs F was offered a lower premium if she were to make a one-off payment for the full annual premium. But she was told the premium would remain £758.39 if she decided to pay by monthly instalments.*
- Mrs F was then told her premium was being rerated due to a fault claim on her policy, and the premium was now £842.67, with the offer of a lower premium by paying making a one off payment being no longer available.*
- Mrs F called back later and said she wanted to proceed with the renewal at the price she was quoted for paying the full annual premium. She was offered this option and quoted £676.53. Mrs F accepted this offer, and her renewal was processed.*

I think esure could have handled these calls better. Mrs F wasn't given clear and consistent information about her renewal quote. But I don't think Mrs F has shown she likely wouldn't have renewed with esure or would instead have taken out comparable cover elsewhere at a

lower premium were it not for esure's poor handling of the calls. So, I don't think Mrs F was prejudiced.

But I think Mrs F was caused some distress and inconvenience. Mrs F had to call esure numerous times to agree on her renewal and I think that could have been avoided had esure been clear from the outset on the renewal options and price. So, I think some compensation is warranted, and I think £75 would be a fair and reasonable amount.

Communication issues

Mrs F complained about difficulties she had in making her complaint to esure and says it ignored her complaint.

I can only consider anything Mrs F has already made a complaint to esure about and in which it has provided a final response, or it's more than eight weeks from the date the complaint was first made. I haven't seen any final responses which address this issue, nor have I seen anything to show Mrs F has already raised this issue with esure.

Because of this, I'm not able to consider this complaint point within this decision. And if Mrs F wishes to pursue it further, she'll first need to raise a new complaint directly with esure."

esure accepted the provisional decision and had nothing more to add. Mrs F didn't accept, and in summary she said:

- Her car had been written off within ten minutes of her contacting esure by an unqualified call handler she spoke to.
- She was denied a courtesy car at the point the assessment of her car hadn't been completed.
- She maintains she was pressured into the renewal and says a call handler she spoke to said her renewal price was now in the thousands.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I've considered Mrs F's response to my provisional decision, but I've reached the same conclusions as I did in my provisional decision.

I acknowledge Mrs F's comments about being told her car was a total loss when she first contacted esure. Looking at esure's claim notes, it recorded on 6 February 2023 the car was a total loss, which predates the engineer's report. So, I think this indicates Mrs F was told her car was a total loss when she first reported the claim.

But I don't think Mrs F has been disadvantaged by this. I would still expect a review to be carried out by an engineer to confirm if a car is a total loss. And esure has provided a copy of its engineer's inspection report to show this was done.

The engineer found the car was a total loss on the basis the estimated repair cost was greater than the car's value by a considerable margin. So, the car was written off because it was deemed uneconomic to repair.

I haven't seen anything more showing the engineer unfairly decided the car was a total loss. So, I still don't find esure acted unfairly by dealing with the claim as a total loss.

I also don't dispute Mrs F wasn't provided a courtesy car while her claim was being assessed. But the policy terms say "*a courtesy car will be provided when your vehicle is being repaired*", and that a courtesy car won't be provided if the car is a total loss.

So, even if Mrs F's car wasn't a total loss, she'd only have been entitled to a courtesy car at the point repairs had started, and not while the damage was still being assessed.

Since no repairs were ever carried out on Mrs F's car due to it being a total loss, she wasn't entitled under the policy terms to a courtesy car. So, I don't think esure acted unfairly by not providing one.

Lastly, I acknowledge Mrs F's comments about the conversations she had with esure about her renewal on 27 July 2023. esure provided me with numerous call recordings from this date, which I have listened to.

I said in my provisional decision esure could have handled these calls better and I acknowledged Mrs F wasn't given clear and consistent advice about her renewal quote, which I think caused her distress and inconvenience. I said esure should pay Mrs F £75 compensation for this.

But I've seen nothing more to show Mrs F wouldn't have decided to renew with esure had it handled the renewal calls better. And Mrs F says she phoned other companies who refused to cover her, which I think would have made it more likely for her to renew with esure.

So, I still don't think it's likely Mrs F's decision to renew with esure was prejudiced by how it handled these calls. As a result, I still think £75 is fair and reasonable compensation for the distress and inconvenience caused by esure's poor handling of the renewal calls.

Putting things right

I require esure to do the following:

- Pay Mrs F £225 compensation for the distress and inconvenience caused.
- Provide Mrs F with a copy of the total claim cost breakdown if it hasn't done so already.

My final decision

My final decision is that I uphold this complaint in part and I require esure Insurance Limited carry out the steps I've set out in the 'Putting things right' section of this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 17 February 2025.

Daniel Tinkler
Ombudsman